La. businesses call for Social Security option

By DON LEWIS
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NEW ORLEANS — Louisiana businesses and women meeting here Friday called for a fundamental change in Social Security laws and expressed support for a federal agency the Reagan administration intends to abolish.

The group approved a resolution asking that small businesses be given the option of remaining in the Social Security program or funding their own retirement plan, and adopted a version for many in the last round of Social Security reforms.

Also approved was a resolution of support for the Small Business Administration, which the administration is trying to abolish as a result of cutting the federal budget.

Another resolution called for state9. state studies instead of federally sponsored studies by nonprofit, tax-exempt organizations — including churches.

The conference was the third one held around the country during which the participants vote on recommendations and delegates to send to the national convention of the U.S. Small Business Administration, to be held Aug. 17-21 in Washington, D.C.

Twenty Louisiana delegates were elected during Friday's meeting, including five from Baton Rouge.

The five are Donald L. Allison, Cajun State, Engineers Inc.; Warren Birkett Jr., Wybrick & Associates Inc.; James S. Burland, J.S. Burland & Associates; Teresa M. Gilliland, Unit Design Inc.; and G. Barry Lynas, Lynas & SHCPAs.

A total of 1,823 delegates from all 50 states, the District of Columbia and Puerto Rico will be elected or appointed to the conference, where they will examine 2,213 recommendations.

The purpose of the White House Conference is to:

• Identify the problems of small business.
• Develop recommendations for government action on small-business issues.
• Review the status of recommendations adopted at the 1980 conference.
• Examine the status of minorities and women as small-business owners.
• Increase public awareness of the contributions of small business.

Participants at the New Orleans conference were preoccupied by product liability questions and rising insurance rates. They also were concerned about providing incentives for investment in small business and cutting down on the burgeoning paperwork required by the federal, state and local governments.

Ralph S. Blackman, associate director of the White House Conference for Small Business, said concerns such as the one in New Orleans are useful in helping those engaged in small business.

Blackman, a former small businessman in Chicago, said delegates to the 1980 White House Conference sent 60 recommendations to the president and the Congress, and since then 39 of those have been acted upon legislatively or administratively.

Randy L. Hayden, one of the moderators at Friday's meeting, said in a prepared statement of the keynote speaker in Louisiana that the federal government has the federal designation of small business — those with 500 or fewer employees.

Hayden, a Baton Rouge advertising and public-relations man, said 85 percent of the businesses in Louisiana have fewer than 20 employees and 90 percent have fewer than 50 employees.

Elizabeth M. Williams, a New Orleans attorney who represents small businesses, made the proposal to retain the Small Business Administration, an independent agency created by an act of Congress in 1963 to aid, counsel, assist and protect the interests of small business.

"I think it's very important that we have some kind of organization or agency that represents small business," said Williams, who was elected a delegate for the Washington conference.

She argued that it would be "a tremendous loss for small business if the Small Business Administration doesn't exist.

The elimination would be a "tremendous slap in the face" to small businesses throughout the country if the SBA were abolished.

Williams said small business needs to be better represented and that the federal government is formulating regulations that will affect business.

"Small business has to be a concerted effort to make sure that small business doesn't just comment on the regulations after they've been put together.

Alan J. Wells, acting SBA director for the district, said prevention of unfair competition has proposed to dismantle the SBA and move some of its functions to other federal agencies, particularly the Small Business Administration and the Department of the Treasury.

Submiting the resolution for prevention of unfair competition to small business by tax-exempt, nonprofit organizations was Henry L. Marsh of River Ridge, owner of Jansen Ewing & Marsh Inc., which rents telephones and video audio-equipment and computers.

The resolution calls for the removal of excess profit status from nonprofit organizations only in the area where they are in competition with private businesses.

He said the government's removal of nonproft, tax-exempt organizations — including universities, churches, and federal, state and local governments — have in recent years undertaken activities that can be described only as commercial business.

"They are providing for a fee goods and services that are equal to or similar to those offered by small businesses like yours," he said.

"The inequity lies in the fact that these nonprofit, tax-exempt entities do not pay taxes on the income they receive.

"In addition, they possess other advantages, such as exemptions from federal, state, and local taxes, lower profit rates and, in some cases, an image of prestige associated with their status," Marsh said.

On the other hand, small-business owners have to pay all the normal operating expenses associated with offering their products and services, he said.

"Plus, we pay all federal state and local taxes, which are directly supporting these nonprofit tax-exempt entities," Marsh said.

Dale Sisley of Lafayette, offered the resolution that would allow small-business people to organize a benefit called Social Security in favor of a private retirement plan they would fund.

"I wish rather privately fund my own retirement program," said Sisley, who owns four child-care centers and was elected a delegate to the upcoming conference.

"If there's a problem with the fact that my congressman and my senator don't have to pay Social Security and they have a choice," he said. "And, being in a small business, I don't have that choice.

Besides Williams, two other delegates from New Orleans were elected. They are Ralph C. Grimaldi, of Frank A. Milanes, Hibernia Roofing & Siding, and John Stephen Barton, of Balon Rouge, Barton Barton & Associates.

Three delegates from Metairie also were elected: Patricia A. Habeeb, Conventions on Explained Inc.; G. Dean Shore, Associated Agencies Inc.; and Sharon A. Dunn, of Red Gel.

Besides Sisley, two other delegates from Lafayette were elected. They are Gene D. Fortier, Gene Fortier State Farm Insurance Agency; and C.P. Hilliard, Badger Oil Corp.

The two Shreveport representatives are Dr. Francois Casasso, Dr. Casasso Institute of Research Inc.; and John David Stewart Insurance.


Four other delegates will be named later, either by the congressional delegation or Gov. Edwin W. Edwards.

The New Orleans meeting was the second in a series held around the country in April and May.